10/2/78 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)										
FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION							
Memo Memo	Quen to Pres. Carter, w/attachments 5 pp., re: Economic Policy Making Open 1/30/96 Hutcheson to Pres. Carter, w/attachments 3 pp., re: Status of Presidential requests to Brzezinski	9 /2 9/78	A A							
Memo	Brown to Pres. Carter, & Andrew Young to Pres. Carter, 5 pp., re: Weekly Cabinet activity summaries o puck 2/193	- c. 9/29/7	8 A							

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 10/2/78 [1] Box 104

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WASHINGTON

9

2 October 1978

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON

SUBJECT:

Memos Not Submitted

- 1. EIZENSTAT MEMO relating a phone call from Ambassador Richard Gardner, who made these points:
 - o it is essential to appoint quickly an eminent person of to be US representative to the Vatican;
 - o he hopes you can personally attend the inauguration of the new pope.
- 2. HENRY OWEN MEMO suggesting that structural reorganization is needed to improve economic policy-making. He suggests that an overall coordinator be appointed to coordinate the anti-inflation efforts of the EPG, the Counselor on Inflation, and COWPS.
- 3. HUGH CARTER sent you the list of September security violations.

to me

WASHINGTON

			~
DATE:	·	02	OCT

FOR ACTION:

INFO ONLY: TIM KRAFT BO

ZBIG BRZEZINSKI

78

BOB LIPSHUTZ

SUBJECT:

EIZENSTAT MEMO RE MY CALL FROM AMBASSADOR

GARDNER

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY:

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

WASHINGTON

September 30, 1978

MEMORANDUM TO:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

My Call from Ambassador Gardner

Ambassador Richard Gardner called me yesterday from Rome, Italy with the following points he asked that I convey to you:

- 1. It is essential to quickly appoint an eminent person to be U.S. representative to the Vatican. The person should be someone not picked solely for political reasons. He suggested Charles Yost, Dean Rusk, John McCloy, or Don Fraser (I think his abortion position excludes him).
- 2. He hoped the delegation to the funeral would be as high-level as the delegation a few weeks ago.
- 3. He hopes you can personally attend the inauguration of the new pope, which should be in 3 to 4 weeks. He felt your role as a peacemaker would blend in perfectly with the church's emphasis on peace, and that you would be well-received.

cc: Tim Kraft
Jim Gammill

THE WHITE HOUSE WASHINGTON

Sing

CONFIDENTIAL CDS

CONFIDENTIAL

THE WHITE HOUSE

INFORMATION WASHINGTON

September 29, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

HENRY OWEN 70

SUBJECT:

Economic Policy-Making

I've been reading <u>Crisis and Conflict</u>, by Robert Donovan, about President Truman's first term; it occurs to me that there is some analogy between the then problem of defense coordination and the current problem of economic policy coordination.

In World War II, a new defense function had emerged: air power. It was clear after the war that a Department of Air Force would have to be set up. The question was how to coordinate it with the other two service departments. Some wanted to do this by setting up inter-service committees. Others favored putting a single person in charge, by creating a Secretary of Defense. Truman favored this route, and asked the Bureau of the Budget to staff out alternative ways or proceeding, since there was uncertainty as to what SecDef's functions should be. On the basis of OMB's staff work, the President decided to appoint a Secretary of Defense who would be a coordinator -- with management responsibilities remaining with the service departments.

Since the 1972-73 crisis, a new function has emerged in the economic field: inflation-fighting. To meet this need now entities have been created: the Counselor on Inflation, and COWPS. The question is how to coordinate their work and how to integrate it with the rest of economic policy. We have tried this in a committee, the EPG. Most of its members would agree that this hasn't fully met the need. Hence the proposals that you have received for appointing an overall coordinator.

Now, as in 1946, this recommendation does not answer hard questions: Where should the coordinator be located; what should his powers be; how should he relate to other officials; and who should he be? Further work is needed, defining options among which you could choose. You may want to ask someone other than the principals involved, e.g., the Vice President, working closely with Jim McIntyre, to come up with proposals regarding alternative courses of action. On the basis of this work, you could decide if you wanted to make any change in existing arrangements.

You are committed to making the government more efficient. Economic policy is the area where this improvement is most needed. In meeting this need, you would be accomplishing a structural reorganization at least as important as the one Truman achieved in 1947. If you decided on some major new action before October 15, its announcement would be an unexpected and welcome addition to your antiinflation speech.

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TRANSFER SHEET

Jimmy Carter Library

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The following	g material was w e <u>xxx</u> Audiovisual	ithdrawn from	this segment			
DESCRIPTION.						

8x10 color photo of Kennnedy Space Center (KSC) Launch Site

8x10 colot photo of Shuttle Assembly Bldg. KSC

8x10 B&W phot of Pres., Mrs., and AMy Carter on KSC visit

8x10 B&W photo Explanation of Shuttle using mock-up-KSC Carter visit

8x10 B&W photo award of Space Medal-Carter Speech-KSC Carter visit

8x10 B&W photo platform shot of Awardees-KSC Carter visit

8x10 B&W photo shot of Awardees-KSC Carter visit

8x10 B&W photo awarding of Medal to Neil Armstrong (?)-KSC Carter visit

8x10 B&W photo Presidential family-KSC Carter visit

8x10 B&W photo Carter Family visit KSC-Shuttle explanation using model

Series: Office of Staff Sec.-Pres. Handwriting File

Box No.: 104

File Folder Title: 10/2/78 [1]

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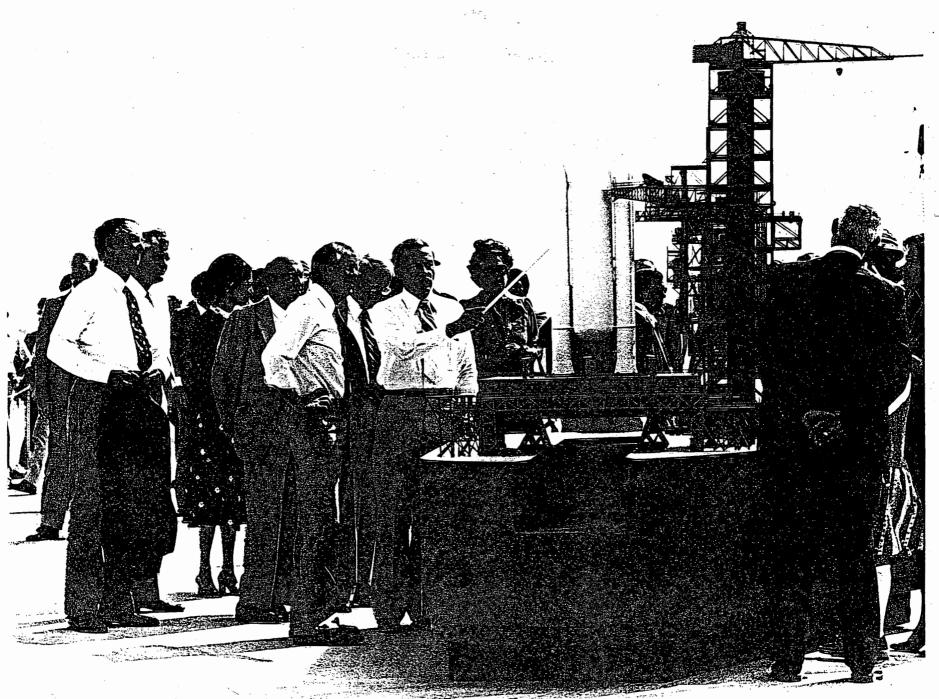


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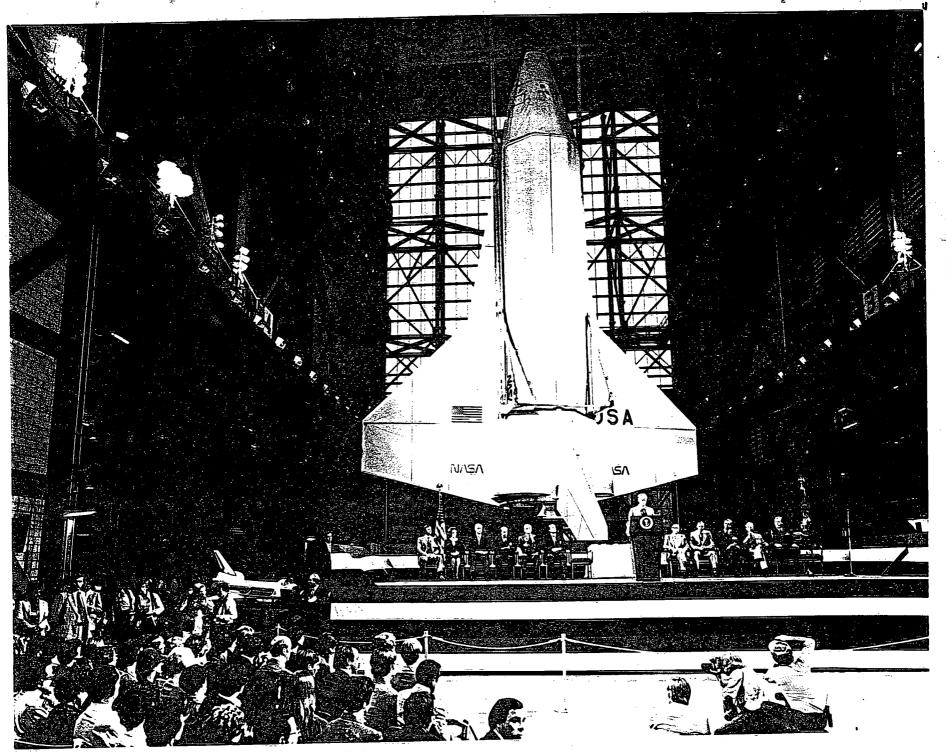
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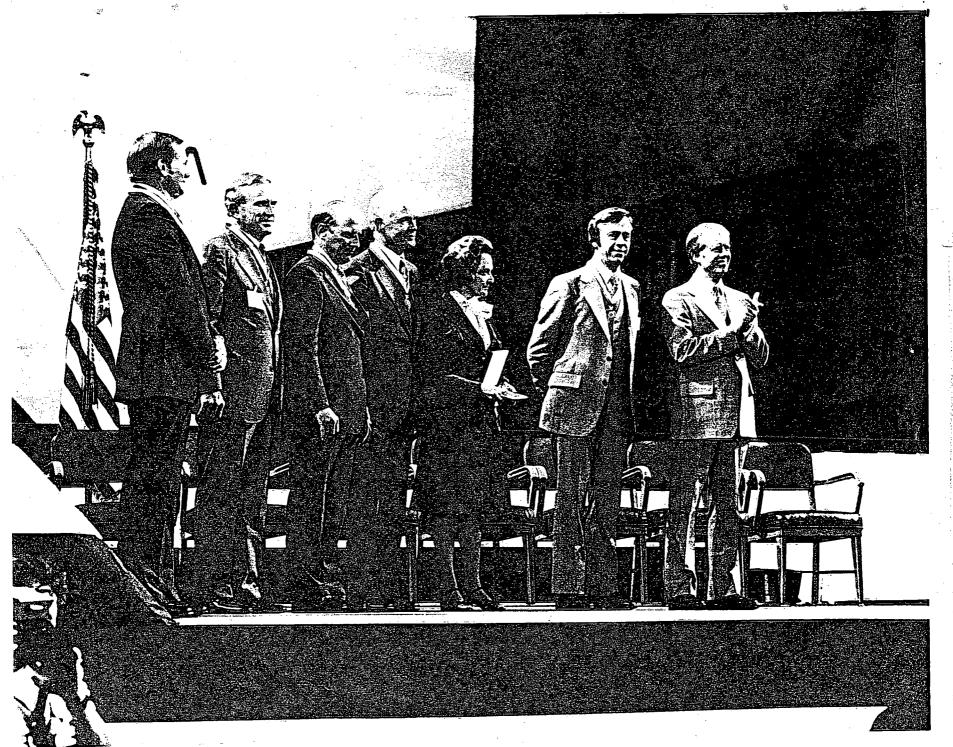
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(177)(br)



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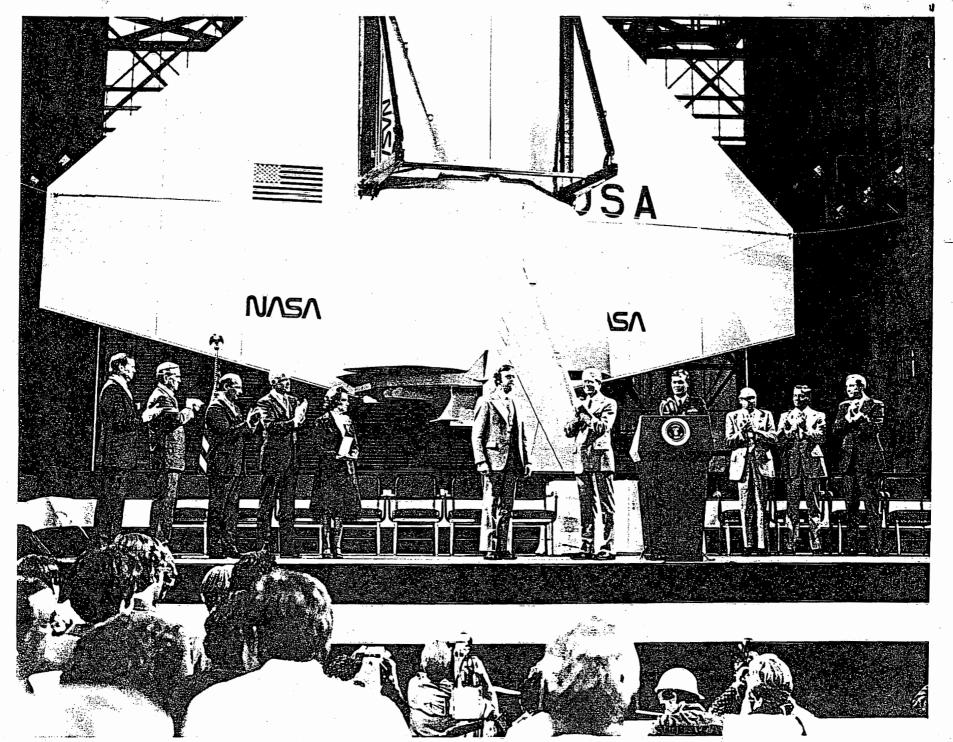
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NASA/ADMIN. W/O G773-007 PRESIDENTIAL VISIT TO KSC. (221)(br)



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WASHINGTON

October 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT

SUBJECT:

DELEGATION FOR FUNERAL OF POPE JOHN PAUL I

We will be able to send ten (10) delegates to this funeral, three of whom have already been selected by the Vice President. The three selected by the Vice President are: Mrs. Lillian Carter, Governor Grasso and Mayor Koch. There are two lists that follow. The first seven (7) are our recommendations to fill out the delegation and the second list are suggested alternatives.

Of the suggested alternatives two (2) have asterisks. We would recommend that these individuals go to the Investiture rather than the funeral.

The following people have been suggested:

Congressman Delaney (Tip O'Neil's first choice)

Mario Obledo (Former Secretary of HEW, Cal.)

Dominick Barinello

Peter Sarros (Acting Representative to the Vatican/in Rome now)

Bill Fitzgerald

Mayor Morial (Black, Catholic Mayor of New Orleans)

John F. Connelly (Philadelphia/Evan Dobelle & Sonny Dogole)

The following people are alternatives:

*Mayor Tom Bradley

*Cesar Chavez

Governor Garahy

Governor Teasdale

Secretary Califano

Congressman Annunzio (Tip O'Neil's second choice)

Congressman Blouin (Tip O'Neil's third choice)

Frank Belloti (Attorney General, Mass./Evan Dobelle)

Lane Kirkland (AFL-CIO)

Lloyd McBride (Steelworkers)

Eunice Shriver

Martin Luther King, Sr.

Mrs. John White

Richard Celeste

THE WHITE HOUSE WASHINGTON

WW Now 889

THE WHITE HOUSE WASHINGTON October 2, 1978

Original of letter sent to CL. A mistake was detected in letter -- Daft's office will correct and send copy.

WASHINGTON

September 30, 1978

Retype 155 page

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT

LYNN DAFT

SUBJECT:

SUGAR LEGISLATION

Attached is a slightly briefer version of the statement on sugar legislation you reviewed yesterday. As you instructed, we checked with Frank Moore. His staff suggested that it take the form of a letter to the Speaker, with copies to Congressmen Vanik and Foley.

We still expect a floor vote on Wednesday.

Attachment

THE WHITE HOUSE WASHINGTON

To Speaker Tip O'Neill

The House of Representatives will soon vote on legislation (H.R. 13750) to provide price and income protection to domestic sugar producers and to provide implementing authority for the International Sugar Agreement that was negotiated last year.

There is a major difference between the amendments approved by the Committee on Ways and Means and those approved by the Committee on Agriculture with respect to the pricing provisions in this legislation. The Ways and Means Committee version provides for a domestic market price objective for sugar of 15 cents a pound, raw value. The price of sugar in the United States would remain at 15 cents a pound until the world sugar price pushes it upwards.

In contrast, the Agriculture Committee version provides for an initial domestic market price objective for sugar of 16 cents a pound and, more importantly, it is automatically escalated (indexed) every six months based on changes in the wholesale price index and the index of prices paid by farmers. With these pricing provisions, the price of sugar to consumers other goods and services rose, irrespective of the market situation.

The pricing provisions in the Agriculture Committee bill are highly inflationary. According to our analyses, the bill would cost consumers nearly \$3.5 billion more over the five-year life of the bill than would the Ways and Means Committee version. This is unacceptable. We are opposed to any change in the sugar pricing provisions from those reported by the Ways and Means Committee. Adoption of a significantly higher or escalating market price objective threatens any sugar legislation this session.

WASHINGTON

October 2, 1978

To Speaker Tip O'Neill

The House of Representatives will soon vote on legislation (H.R. 13750) to provide price and income protection to domestic sugar producers and to provide implementing authority for the International Sugar Agreement that was negotiated last year.

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The pricing provisions in the Agriculture Committee bill are highly inflationary. According to our analyses, the bill would cost consumers nearly \$3.5 billion more over the five-year life of the bill than would the Ways and Means Committee version. This is unacceptable. We are opposed to any change in the sugar pricing provisions from those reported by the Ways and Means Committee. Adoption of a higher or escalating market price objective threatens any sugar legislation this session.

This Administration is strongly committed to providing equitable income protection to domestic sugar growers. But we can do this more efficiently and more effectively through use of the same deficiency payment system we use for other major agricultural commodities. And, by so doing, we can avoid adding further fuel to the inflationary fires.

I hope the House of Representatives will support the Ways and Means Committee version.

Sincerely,

Timuy Carter

The Honorable Thomas P. O'Neill, Jr. Speaker of the U.S. House of Representatives

Washington, D.C. 20515

September 28, 1978

Clear This with Frank

MEMORANDUM FOR:

THE PRESIDENT

PROM:

STU EIZENSTAT STW

LYNN DAFT

SUBJECT:

Statement on Proposed Sugar Legislation

The attached draft statement on proposed sugar legislation was prepared at your request, following your conversation with Congressman Vanik yesterday. Since the proposal may be acted on as early as tomorrow, we ask your approval for immediate release by Jody.

For your information, Senator long informed Ambassador Strauss yesterday that he intends to attach the counter-Vailing duty waiver we are seeking to the sugar bill when it is considered in the Senate.

THE WHITE HOUSE WASHINGTON 9/29/78

Frank Moore

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President Stu Eizenstat

PRESIDENTIAL STATEMENT ON PROPOSED SUGAR LEGISLATION

The House of Representatives will soon vote on legislation (H.R. 13750) to provide price and income protection to domestic sugar producers and to provide implementing authority for the International Sugar Agreement that was negotiated last year.

There is a major difference between the amendments approved by the Committee on Ways and Means and those approved by the Committee on Agriculture with respect to the pricing provisions in this legislation. The Ways and Means Committee version provides for a domestic market price objective for sugar of 15 cents a pound, raw value. The price of sugar in the United States would remain at 15 cents a pound until the world sugar price pushes it upwards.

In contrast, the Agriculture Committee version provides for an initial domestic market price objective for sugar of 16 cents a pound and, more importantly, it is automatically escalated (indexed) every six months based on changes in the wholesale price index and the index of prices paid by farmers. With these pricing provisions, the price of sugar to consumers would rise automatically simply because the price of other goods and services rose, irrespective of the market situation.

The pricing provisions in the Agriculture Committee bill are highly inflationary. According to our analyses, this bill would cost consumers nearly \$3.5 billion more over the five-year life of the bill than would the Ways and Means Committee version.

Although the market price objective of 15 cents a pound approved by the Ways and Means Committee is higher than we originally proposed, elimination of the automatic escalator removed the Administration's major objection. Thus, in the interest of seeing the International Sugar Agreement ratified and an acceptable domestic sugar program enacted this session, the Administration strongly supports the Ways and Means Committee bill.

Legislation reported out of the Agriculture Committee is unacceptable. We are opposed to any change in the sugar pricing provisions from those reported by the Ways and Means Committee. Adoption of a significantly higher or escalating market price objective threatens any sugar legislation this session.

This Administration is strongly committed to providing equitable income protection to domestic sugar growers. But we can do this more efficiently and more effectively through use of the same deficiency payment system we use for other major agricultural commodities. And, by so doing, we can avoid adding further fuel to the inflationary fires.

I hope the House of Representatives will support the Ways and Means Committee version.

THE WHITE HOUSE WASHINGTON

10/2/78

The Vice President Hamilton Jordan Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson



DECLASSIFIED
E.O. 12356, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1981
NARS, DATE 117793

SECRET



THE SECRETARY OF DEFENSE WASHINGTON, D.C. 20301

September 29, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense

(September 23-29, 1978)

Defense Authorization Bill: The Senate passed the Defense authorization bill on Tuesday. John Tower withdrew his shipbuilding amendments (which would have added two frigates and a LHA) on an agreement that additional new ships would be addressed in a supplemental bill. Senator Proxmire's amendment to delete the shipbuilding claims money was defeated, but Proxmire succeeded in adding another amendment which would require the Comptroller General to review the use of extraordinary contractual relief for shipbuilding claims under Public Law 85-804. The House will take the bill up today, and is prepared to modify the language of the latter amendment so we can live with it. Representatives Stratton and Downey still plan to attack the shipbuilding claims settlement, but their efforts are expected to fail.

Visit of Yugoslav Defense Secretary: My discussions with Defense Secretary Ljubicic, who is here this week as my guest, have been highly constructive. Ljubicic, as you know, has Tito's full confidence on defense policies, and although he is not a contender to succeed Tito, the defense establishment will play a key role in an orderly succession. Ljubicic expressed concern about the Mideast Summit, stating that if the Soviets are pushed out of the Middle East, he feared they would turn more attention to Yugoslavia. He proposed that we exchange intelligence on the Soviets, and I said we would consider the proposal. He and I agreed that there has been progress In the arms transfer relationship over the last year, ever since your decision for a moderate expansion of sales to Yugoslavia.

Drug Abuse Hearing: Charles Duncan testified Tuesday on drug abuse before Sam Stratton's subcommittee of the House Armed Services Committee. Charles reaffirmed our assessment of the military drug problem as being serious but not of epidemic proportions. Stratton also pushed for promptly filling the vacant position of Assistant Secretary of Defense for Health Affairs and three vacancies on the Board of Regents of the Uniformed Services University of the Health Sciences. Action is underway to fill the vacancies.

Meeting with New York Delegation: On Wednesday Charles Duncan, Cliff Alexander, General Bernie Rogers and I met with members of the New York Congressional Delegation to discuss the stationing of the 2d Infantry Division as it relocates from Korea. The Army had been considering four stationing options: (1) Ft. Bliss, Tex.; (2) Ft. Benning, Ga.; (3) Ft. Drum, N. Y.; and (4) a combination of Ft. Dix, N. J., Ft. Devens, Mass., and Ft. Drum. The New Yorkers are united and well informed. The Army had

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1/27/93

projected costs on the above options at from \$800 million to \$1.45 billion. I concluded that additional options were needed; Charles and I are confident that the 2d Division restationing can be accomplished at significantly lower costs. A response from the Army on the additional options is expected within two weeks. We recited these facts to the delegation, but some of those present believed a recommendation already had been sent forward; there were emotional statements such as "the decision has been made," demands for a meeting with you, and suggestions that the delegation vote as a bloc on other issues (such as the energy bill) to get our attention. Because I expect you will be hearing from the New York representatives, I wanted you to have these details.

Military Unionization Bill: Both the House and Senate now have passed bills prohibiting unionization of the armed forces, but the House exclusion of reservists who are civilian technicians from the prohibition could lead to a deadlock. So far John Stennis insists that the technicians be included in the prohibition, while the Speaker has passed the word that the House will not recede on that point.

Dresser Industries: Next Tuesday Bill Perry, Under Secretary for Research and Engineering, will testify in hearings Senator Jackson's subcommittee is holding on the granting of an export license to Dresser Industries. He will reiterate that while some Defense officials recommend against transfer, based largely on the broad national security issues of assisting the Soviet Union in well-drilling technology, the Department of Defense position was and continues to be that no significant military capability would be gained by the Soviet Union as a result of this sale.

Mideast Summit: On Monday Zbig gave the Armed Forces Policy Council an excellent summary of the Mideast Summit meeting.

B-l Decision Impact: When you made your decision to terminate the B-l program there were some predictions that as many as 100,000 jobs would be affected, most of them in the Los Angeles area. We said at the time that such predictions were far overstated. It now appears that the B-l cancellation resulted in an actual loss of about 8,000 jobs, with an ultimate loss now estimated to reach no more than 13,000. Even that impact has been eased by the strong growth in the aviation industry in the Los Angeles area over the past several months. The cost of federal agency grants arranged through the Economic Adjustment Committee has been only \$1 million.

Abortions: A provision in the continuing resolution on appropriations for FY 1979, as passed by the House, forbids DoD to use FY 1979 funds to pay for abortions except when the physical health of the woman is in danger, in cases of rape or incest, etc. I expect uniformed personnel to object vigorously to what they will regard is being singled out for denial of an accustomed medical benefit. Whether the Congressional ban will remain in the final DoD Appropriation Act is not certain.

Saudi Defense Minister: Prince Sultan accompanied King Khalid to Cleveland.

I phoned Sultan to fly him here to meet with me on arms supply and other

military relationships between us. This will also provide an opportunity to sound him out further on the Middle East peace process. The tentative plan is to meet in the week of October 9. King Khalid, who is now expected to be operated on October 7 (a postponement of a week because of a cold), and Prince Sultan both asked that their thanks for their reception in this country be passed to you.

Howld Brown

CONFIDENTIAL

TO: President Carter THROUGH: Rick Hutcheson Ambassador Young

SUBJECT: U.S. Mission Activities, September 22 - 29

33RD UN GENERAL ASSEMBLY

The 33rd UNGA opened its general debate on Monday, September 25. Forty-seven speakers have been heard, including the USSR, UK, Cuba, Canada, France and the Federal Republic of Germany. Cuba's Foreign Minister, Isidoro Malmierca, sharply criticized the US Government and its policies in many sections of his speech. his address, Foreign Minister Gromyko (USSR), vigorously attacked the Camp David Summit. The Soviet speech was largely devoted to discussion of disarmament questions. It touted USSR proposals on security assurances and banning nuclear weapons from areas where they are not now located. The other noteworthy speakers of the week were President Nimeiri of the Sudan, and Foreign Minister David Owen of the United Kingdom. President Nimeiri emphasized the OAU's Khartoum Conference decisions, and Dr. David Owen devoted a major portion of his speech to a review of the UK's policy in southern Africa, particularly Rhodesia.

NAMIBIA

The Security Council is scheduled to meet September 29 to adopt the report of the Secretary General on the implementation of the Western Five proposal. The Five have reached agreement with the African Group on a draft resolution, and that resolution will be jointly co-sponsored by the Five and the African members of the Council.

With the Western Five Foreign Ministers in New York for the UN General Assembly and for the Security Council meeting, the Five have also been considering possible next steps on Namibia. While no decisions have yet been taken on how to proceed following the Council's adoption of the report, we believe that the Five's discussions have usefully served to develop our consideration and planning.

AMBASSADOR YOUNG'S OTHER MEETINGS

9/22 - Howard Samuel, Deputy Under Secretary of Labor; Mr. Kangai; Mr. Shirihuru; Secretary General Waldheim; Amb. Wells: 9/26 - Foreign Minister Genscher (FRG); Secretary Vance; Amb. Kotsokoane (Lesotho); Foreign Minister Owen;

9/27 - Mr. Whistler, Amb. Hilmy (President, League of Arab Nations): 9/28 - Tony Lewis (New York Times); VOA interview with John Guerini.

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 12792-State | Dre MR-91_1-92-71

BY NARS, DATE 12793.

CONFIDENTIAL

THE WHITE HOUSE WASHINGTON

NOTE:

FOR THE RECORD, TIM WAS GIVEN A COPY OF THE ATTACHED TODAY.

10/2/78

THE WHITE HOUSE

WASHINGTON

September 30, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

TIM KRAFT THE JIM GAMMILL Jim G

SUBJECT:

Presidential Appointment - Llewellyn

The Counsel's Office has cleared Bruce Llewellyn. Bob Thomson and Mike Cardozo have discussed this nomination with the Senate Foreign Relations Committee and Senator Javits has reviewed his FBI file.

Based on their conversations with the above people Cardozo and Thomson have no objection to proceeding with this nomination.

Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

September 22, 1978

he & cleared of allegations?

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT

JIM GAMMILL Jon 6-

SUBJECT:

Presidential Appointment

Attached for your signature is the nomination document for J. Bruce Llewellyn, of New York, to be President of the Overseas Private Investment Corporation, vice Marshall T. Mays, resigned.

Mr. Llewellyn is currently President of Fedco Foods Corporation in New York.

You met with Mr. Llewellyn on February 21, 1978.

All necessary checks have been completed.

	ADMIN CONFIDENTIAL
	CONFIDENTIAL
Г	SECRET
Г	EYES ONLY

j	VICE PRESIDENT
T^-	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
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	BLUMENTHAL BROWN CALIFANO HARRIS KREPS MARSHALL

	ARAGON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
r	HARDEN
	HUTCHESON
	LINDER
	MARTIN
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	VOORDE
Г	WARREN
Г	WISE

Sear Jerry - For whatever it is worth, at should be hesident never looked or sounded britter at a hous Confuerce than he did yesterday. He seemed completely in command - speaking quickly, serious I manner. I was unpersed.

All the book, Affective.

THE WHITE HOUSE WASHINGTON

Rick/Bill--

Jerry would like for the President to see this.

Thanks,

Becky

Swan M.L.

done

THE WHITE HOUSE WASHINGTON

9/30/78

Mr. President:

If possible, four bills should be signed today to avoid disruption in federal activities due to the end of the fiscal year.

HR 12963, which was received at the White House yesterday, is attached.

The remaining three bills were flown to Massachusetts for the Speaker's signature, and are expected at the White House sometime after 6:00 PM tonight. If they arrive, I'll bring them over to you at the Residence.

Rick / /

THE WHITE HOUSE WASHINGTON

9/28/78

Mr. President:

Edward Bennett Williams box is covered but not glass enclosed. It is not a plush set-up. From a logistical and security viewpoint it would be better to use the box. Powell and Rafshoon concur with this.

approve box
disapprove

disapprove

for go

Electrostatic Copy Made for Preservation Purposes



Redpking th

PRO-FOOTBALL, INC. 13832 REDSKIN DRIVE P. O. BOX 17247 - DULLES WASHINGTON, D. C. 20041 (703) 471-9100 Office of the Projedent



September 26, 1978

The President The White House Washington, D. C. 20500

Dear Mr. President:

I would love to have you as my guest at the Redskins-Cowboys game on Monday night. It should be a great game and I think you would enjoy it. After your heroic accomplishments at Camp David, you are entitled to a night off and I would be honored if you would spend it with us.

Sincerely,

Edward Bennett Williams

accept overed glass box, provide provide the short,

THE WHITE HOUSE WASHINGTON

10/2/78

Frank Moore

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

September 29, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

DOMESTIC POLICY ISSUES

1. NATIONAL ENERGY ACT

--Natural Gas Pricing: WHCL will be giving assignments to Cabinet Secretaries early next week. We will also be asking you to make calls beginning on Monday.

--Briefings for the Republicans and the undecided Members will also be held late next week. We will supply you with a vote count by mid-week.

--Utility Rate Reform: The review period prior to the signing and filing of the Conference Report expires this evening (Saturday). The Conferees are likely to sign it and Senate floor action is possible next week.

--Conservation: House/Senate Conferees on the Conservation Bill, H.R. 5037, met Thursday and resolved the remaining issues outstanding in that portion of the NEA.

--Conferees agreed, after a lengthy session to drop the Metzenbaum ban on the manufacture of gas-guzzling cars, but to retain an increase in the civil penalties on manufacturers.

--The Conference agreement permits the Secretary of Transportation to increase the civil penalties so that they range from \$5 to \$10 for every 1/10 MPG by which the fleet average exceeds the mandated standard. (The present penalty is \$5 per 1/10 MPG.) Fairly stringent standards are specified and must be observed before the penalty can be raised.

--Energy Taxes: The Senate/House Conferees met Saturday for their first working session since December 1977. They are working on all energy tax provisions except COET.

Frank

--The House Rules Committee postponed action on H.R. 112, Residential Insulation and Solar Tax Credits until October 4, when it is likely to be approved.

--House Floor Action: Assuming that the Senate passes the remaining three portions of the National Energy Act, i.e., Utility Rate Reform, Conservation, and Energy Taxes, during the next week, House Floor action, the singular up-and-down vote planned by the Leadership, will occur on October 12.

2. REORGANIZATION

--Civil Service Reform: The Conferees reached agreement on all outstanding major differences on Thursday, including a resolution of the EEO issue. This was negotiated late Wednesday night obviating any open public debate in conference. The labor-management relations title (VII) and employee protection (Title II) compromises were agreed to in principle with detail to be filled in by staff before next Tuesday. We are participating in that process and believe that on balance, the Administration will do well.

--The Conferees will meet on Tuesday morning to finalize all agreements and hopefully sign-off on a Conference Report which could then be filed in both Houses on Tuesday. The Senate must act first on the Report -- hopefully as early as Thursday or Friday.

--We have asked Scotty Campbell to call Senator Hatch to explain the labor provisions to him. The only danger left for this bill is that the Conference Report would be filibustered in the Senate. However, that danger is minimal.

--Department of Education: Following our win in the Senate late Thursday night (72 to 11), we immediately shifted our attention to the House of Representatives.

--We attempted to get a House vote on the rule Friday, but we ran into snags when Leo Ryan and some Republicans objected and threatened to filibuster other issues. We are hopeful that we will be able to get the rule and the bill scheduled late this coming week.

--OMB and White House CL are working closely with NEA in lining up votes in the House. While we do not yet have a final count, preliminary indications are that, if we can

get the bill brought to a vote, it should pass without too much difficulty. However, the "if" is a sizeable one and it may require your direct intervention with the Speaker. We will keep you posted.

3. URBAN POLICY

- --Supplementary Fiscal Assistance (SFA): The House Rules Committee failed last week to agree to a rule. They will try again on Wednesday. If a rule is granted and SFA is scheduled and passed by the House an appropriations bill will still be necessary.
- --Urban Volunteer Program: Speaker O'Neill has approved the request for a rule on H.R. 11922, the bill authorizing ACTION's current domestic programs and creating the Urban Volunteer Program. We expect the Rules Committee hearing to occur this week.
- --Labor Intensive Public Works (LIPW): Senators Randolph and Burdick are holding up action because they don't feel LIPW could pass the Senate.
- --In the House, Bizz Johnson on Thursday advised his Committee that in view of the Senate vote of 63-21 on the Muskie Resolution the House Committee would not take up LIPW this year.

4. CETA

--The CETA Conference is expected to begin on Thursday. It will probably last three days with the major issues being the determination of wage levels and methods of indexing. DOL reports that their efforts will be geared toward the creation of as many jobs as possible, i.e., by keeping the Federal contribution per job as low as possible within the constraints of our original bill.

5. TAXES

--Senate floor consideration may begin as early as Wednesday. As you know, the Senate bill is excessively generous with capital gains tax treatment and has an insufficient minimum tax. It also provides for significantly less progressive cuts than your proposal and contains numerous "give aways."

--We will work with Treasury to alter it on the Senate floor but are more hopeful of seeing significant improvement in Conference.

6. TUITION TAX CREDITS

--September 28, following one day of meetings, the House-Senate Conferees reached agreement on the Tuition Tax Credit bill with the House receding to the Senate position of no tax credits for elementary and secondary education. A scaled-down tuition credit for postsecondary education was approved containing lower credit figures (\$100 in calendar year 1978, \$150 in '79 and \$250 in '80), and a postsecondary credit rate of 35%. Firm estimates are not available, but it is expected to cost between \$400 and \$500 million in fiscal 1979.

--The Council of Catholic Bishops is opposed to this agreement. They want credits for elementary, secondary and postsecondary education in the same package. Consequently, Dan Rostenkowski and other "Catholic" leaders will fight the Conference Report.

--This should permit us to easily sustain a veto. It now looks as though we will not have to face the issue of elementary and secondary tax credits. By the same token, Middle Income Student Assistance will probably be freed from the Rules Committee.

7. AIRLINE DEREGULATION

--Both the Senate and House have named Conferees and began the regulatory reform conference Friday. This meeting was organizational with the substantive work to begin next week. The Conferees are: Senate - Cannon, Magnuson, Stevenson, Ford, Stevens, Schmitt, Danforth; House - Johnson, Anderson, Levitas, Harsha and Snyder.

8. SURFACE TRANSPORTATION

--Both the Senate and the House have now passed the Highway and Transit Authorization bill. The Senate accommodated the Administration by enacting two amendments -- one which would reduce total transit authorizations (reluctantly agreed to by Senator Williams after he knew we had the votes), and one to delete the "Brooke Provision." The net effect of these two amendments is to reduce the transit authorizations by \$1.9 billion over the 4-year period (1979-1982).

--A comparison of four-year totals in the bills:

(\$ in billions)

	Administration Request	Increase Over Administration Request	
		House	<u>Senate</u> *
Highways Mass Transit	$\begin{array}{c} 33.0 \\ \underline{14.1} \end{array}$	+11.4 +_2.8	+2.4 + <u>1.6</u>
Bill Total	47.1	+14.2	+4.0
Average Annua Increase Over Admin. Reques		+ 3.5	+1.0

*The Senate highway bill provides two years of authorizations only. Figure shown annualizes the bill over four years, using DOT's assumptions.

--Conference on the bill will probably begin early this week. Because of the substantial differences between House and Senate, it promises to be a difficult session.

--Jim McIntyre and I met with Congressman Howard last week. WHCL and Anne Wexler's Staff have also been meeting with outside groups in an effort to communicate our concerns about the House bill.

--Concern about the possibility of no bill is building. As I indicated in a memo last week, we may ask you to meet with the Conferees if it appears that such a meeting would be instrumental in getting Jim Howard et. al. to see things our way.

--DOT, WHCL, OMB and Wexler will step up the "public campaign" this week.

9. HOSPITAL COST CONTAINMENT

--Efforts continued this week to develop additional support in the Senate for the Nelson amendment on hospital cost containment. Under Secretary Hale Champion and Dick Warden met with Majority Leader Byrd's staff on September 28 to press for Senate action this session. Tom Hart on Byrd's staff expressed willingness to try to get cost containment scheduled sometime late this week, perhaps Wednesday or Thursday but, as

Senate 15 maximum with much else, the prospects of getting it on the Senate schedule are difficult to discern.

-- The task force continues to meet daily, and some progress has been reported.

10. PUBLIC WORKS APPROPRIATION

--WHCL is continuing discussions with Members and staff concerning a possible resolution of the issues in dispute in the Public Works Appropriation bill.

--I will outline the status of these discussions in a later memo this weekend.

11. ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

--Chairman Jackson has scheduled a "final" session of mark-up for this coming Wednesday, the 4th. Several major issues remain outstanding, however, and it is doubtful a bill will be reported out by mid-week. Senator Gravel remains adamant in his intention to filibuster the bill -thereby decreasing the probability that Majority Leader Byrd will bring it up this late in the session.

12. ENDANGERED SPECIES ACT AMENDMENTS

-- The Rules Committee failed to get a quorum when the bill was scheduled to be considered this week. Floor action is now doubtful.

TRADE ISSUES 13.

House floor action is expected Wednesday or later next week. As you know, Secretary Bergland sent a strong letter to House Members making the Administration position The Senate Finance Committee staff has begun work on a bill with a support level of 17¢/pound.

--Meat Imports: The House is scheduled next week to consider legislation which would establish a counter cyclical formula to control meat imports. The level of imports would be directly linked to production in the U.S. We have proposed two amendments to this bill: (1) to permit minimum annual imports of 1.3 million pounds; and (2) to provide you with the authority to adjust import quotas when it is in the national interest. The Senate has already passed a far more restrictive bill.

Veto of Continue Working Working Sustain)

14. ERA EXTENSION

--Senate debate is scheduled for Tuesday and Wednesday with votes taking place on Friday. At this time it appears that 53 would vote for extension. Recission is again the problem issue. The count at this time is 41 for recission, 41 against, with the balance undecided.

--WHCL, Justice CL and Sarah Weddington are working closely with Senate Staff and women's groups and expect to have a firmer count by Tuesday morning. We will report this to you and suggest that you make some telephone calls later in the week. The Vice President will also be asked to assist with calls.

15. OMNIBUS MINORITY SMALL BUSINESS BILL

--Conferees met Wednesday and Thursday of this week. As anticipated, much of the discussion focused on the eligibility question (Sec. 8(a)).

--Conferees seem close to a compromise on 8(a) eligibility criteria which will not include a rebuttable presumption for racial minorities, but should assure racial minorities a place in the program based on socially disadvantaged criteria. Because eligibility will be based upon social and economic disadvantage, the racial minorities will still have to display economic disadvantage on a case-by-case basis in order to become eligible for the program. SBA reports that the Black Caucus is in close contact with the Conferees and that any compromise acceptable to the House Conferees will be acceptable to the Caucus. SBA is working closely with DPS, Weddington and the Vice President's office on this. Conferees reconvene this Wednesday.

16. HUMPHREY HAWKINS

--WHCL continues to work with Senator Byrd to help him resolve the scheduling problems surrounding the bill.

17. APPROPRIATIONS

--Treasury-Post Office: Conference was completed on Friday. As you know, the Dole Amendment was dropped. The Conferees also retained a cap on blue collar pay and restored most of the funding for DPS.

- --<u>Interior</u>: In Conference. Continues to be troublesome. Jim McIntyre cited our major problems in letters to Senator Byrd and Congressman Yates.
- --Continuing Resolution: The fiscal year is ending with about half of the regular appropriations bills for FY 1979 not yet enacted. These include Labor-HEW and Defense (which were included in the House version of the resolution passed last Tuesday), as well as Treasury-Postal, Interior, Agriculture, and State-Justice.
- ----Since the Congress has not completed action on the continuing resolution, OMB advises that the agencies funded by the above bills will be acting in violation of the law beginning on October 1. The lack of new funding will not disrupt ongoing contracts, but will cause administrative delays in approving new phases of projects. Payrolls will not be threatened until October 12, when the enactment of new financing is required to certify HEW and other payrolls.
- --Despite OMB's urging to the contrary, Senator Magnuson has decided not to move a Senate version of the continuing resolution until at least the week of October 9. He believes that earlier action would take off pressure to enact the regular bills, which now all seem to be moving ahead again; and precipitate enactment of an incomplete resolution which does not take into account possible Presidential vetoes.
- --OMB reports that they will continue to try to persuade Senator Magnuson to move the resolution this week.
- --Labor-HEW: The Senate completed floor action on this last Wednesday after approving floor amendments to add \$12.5 million to the National Cancer Institute (now \$79 million over our request) and about \$25 million of miscellaneous increases. They also approved a paper cut of \$1 billion to reduce "waste, fraud and abuse" in entitlement programs.

-- The present situation:

The present secures.	Request	(in millions Change t House	of dollars) to request Senate
Labor/HEW	57,339	-770	-2,834
Changes that do not affect 1979 programs Estimated effect of 2% reduction in		(-1,244)	(-2,509)
controllable programs		(-413)	()
Student assistance		(+258)	(-905)
Other discretionary funding (besides student assistance)		(+629)	(+580)

FOREIGN POLICY ISSUES

1. FOREIGN AID APPROPRIATIONS BILL CONFERENCE

--The Conference report on the Foreign Aid Appropriations Bill will be coming to the floor of both Houses next week. Funding for Syria was the key issue when the conference met on Thursday. The Senate refused to accept House proposals of \$45 million and \$60 million but finally accepted a compromise which provides for the entire \$90 million with no earmarking. Conference Report language will reflect the concern of the House, adknowledge the progress made at Camp David, agree to the need for you to have maximum flexibility in the Middle East peace efforts, and call for the use of funds only if you believe they will serve the process of peace.

-- The Conference approved the following:

- deletion of direct restriction on Nicaragua,
 Afghanistan and Zambia;
- . deletion of indirect restrictions on Cuba and Vietnam;
- addition of a Presidential waiver which will allow assistance to Mozambique and Angola;
- . addition of the Witteveen Facility;
- . additional funding for Greece and Turkey.

--Increases were made in AID Development programs and operating expenses and for African Refugees. FMS, the Asian Development Bank and IDA were all cut below Senate levels but remained above the House levels. The only bank hurt by the cuts was the World Bank which suffered a \$100 million cut in callable capital. This cut was necessary to keep the additional money to Syria, Greece and Turkey within the Budget Resolution.

--The total Conference amount for the bill (without Witteveen) is \$7.3 billion; \$68 million below the Senate bill, \$126.7 million above the House bill, and \$19 million below the Budget Resolution. The total conference amount with Witteveen is \$9.1 billion.

-- "High-One" Retirement: In the Foreign Assistance Appropriations Conference Senator Inouye failed to persuade the House Conferees

to agree to eliminate funds for the "High-One" retirement option now in the State Department's Authorization Bill. Inouye refused to concede the Senate language thereby forcing the issue to a vote on the House floor next week. Even if the full House concurs with the Senate, State believes that the language in the State Authorization bill is in effect an entitlement which could not be denied by eliminating funds in an appropriations bill.

--To avoid a veto, Inouye, at our request, proposed an amendment to the Export-Import Bank Authorization bill to repeal the "High-One" language in the State Authorization Bill. The amendment was accepted on a voice vote. Congressman Steve Neal will head the House Conferees on Exim and has agreed to accept the Senate amendment. Dante Fascell has agreed not to fight the Conference Report if "high-one" is repealed. He did this to avoid what he believes to be a serious threat to the State Authorization Bill.

--The State Department Authorization Bill is now enrolled, and it is possible the 10 days will expire before the Exim Authorization process with the "high-one" repealer is completed. If this occurs you will have to decide whether to sign the State bill with the assumption we will not run into a snag on the Exim authorization, or veto the Bill and accept a continuing resolution. OMB and WHCL will be sending you an option paper in the event the work on the Exim Authorization is not complete by the day you have to decide whether to sign State's Authorization Bill.

--Turkey Military Assistance Program: Last week the Senate added a provision to the FY 1979 Foreign Aid Appropriations Bill which prohibited spending unexpended military Assistance program funds obligated pre-FY 1978. The House bill did not include this provision. In the Conference the House receded to the Senate provision. If this provision is enacted, it will seriously affect the military assistance money for Turkey frozen in the pipeline since FY 1974. DOD and State are working on this.

2. DEFENSE AUTHORIZATION BILL

- -- The DOD Authorization Bill passed the Senate on Tuesday.
- --House consideration began on Friday and will continue on Wednesday. Sam Stratton and Tom Downey sought to delete authorization for \$209 million for the settlement of shipbuilding claims, but were defeated 187-97. DOD predicts an easy Conference once the House completes its work.

3. UNIONIZATION

--Tuesday the House passed the bill prohibiting unionization of the Armed Forces. The Senate bill includes the prohibition for unionization of civilian technicians while the House bill excludes technicians. This is a major conference issue. Stennis is adamant that the technicians be included and the Speaker has passed the word that he will not recede. This issue could kill the bill for the 95th Congress.

4. DRESSER HEARING

--Scoop Jackson has called a hearing for Tuesday before his Government Operations Investigations Subcommittee on the DOD review of the Dresser Industries drill bit export control license to the Soviet Union. Bill Perry, DOD Under Secretary for Research and Engineering, will appear.

5. ANTI-TERRORISM BILL

--It is becoming increasingly clear that this legislation will not be enacted before the end of the session. It is even possible that the HIRC will fail next Tuesday to report out the legislation for lack of a quorum. If the Committee does act, Judiciary would then report out a version and the Rules Committee would have to sort out the bills. On the Senate side, Jim Abourezk has placed a hold on the legislation, Wallop reportedly has several amendments and the National Rifle Association is seeking a Senator who will threaten a filibuster.

MISCELLANEOUS

--At the urging of OMB Congressman Mendel Davis has agreed to support the Administration on sustaining the Public Works veto. He will be an aggressive advocate of our position at some political risk to his traditional position on this subject.

good

FLOOR ACTIVITIES, WEEK OF OCTOBER 2

House

Monday

S 1613, Magistrate Act of 1977

HR 13059, Water Resources Development Act of 1978

HR 13471, Financial Institutions Regulatory Act of 1978

HR 13750, Sugar Stabilization Act of 1978

Tuesday

Suspensions:

HR 13845, Perishable Agricultural Commodities Act

HR 12917, Rural Transportation Advisory Task Force

HR 12171, Federal Accounting and Auditing Act of 1978

HR 11658, Merchant Marine Act Amendments for Great Lakes Vessels

HR 8853, US Code, Title 18 Amendments, re Cigarette Sale Racketeering

HR 12355, Nuclear Regulatory Commission Authorization

HR 10240, Pueblo Indians of ZIA

HR 3924, Pueblo Indians of Santa Ana

HR 11894, Osage Indians of Oklahoma

HR 13972, Great Bear Wilderness Area

HR 13221, Toiyabe National Forest, Nevada

HR 13650, Uranium Mill Tailings

HR 13553, Coal Leasing Amendments

HR 13797, Establish Fort Scott National Historic Site

HR 13701, Non-voting Samoan Delegate to House

HR 13167, Black Lung Benefits Revenue Act Amendments

HR 6877, IRC Amendments for Regulated Investment Companies

HR 9192, IRC Amendments for Banks and Cooperatives

HR 19653, IRC Amendment for Redemption of USIA Certificates

HR 12200, IRC Amendments for Taxes on Stock Options

HR 12606, Taxes on Uniform Services University of Health Sciences

HR 12051, Tax Exemption Extension of New York Public Employees Retirement Systems

HR 11741, IRC Amendments re Tax Treatment of Public Utilities

HR 12828, Tax Treatment of Tax Exempt Organizations Trade Shows S 990, Federal Physicians Comparable Allowance Act

Wednesday, Thursday and Friday

HR 14042, DOD Authorization FY 79

Votes on Amendments and Bill on the Following:

S. 1613, Magistrate Act of 1977

HR 13059, Water Resources Development Act of 1978

HR 13471, Financial Institutions Regulatory Act of 1978

HR 13750, Sugar Stabilization Act of 1978

HR 11545, Meat Import Act of 1978

HR 10909, Clinical Laboratory Improvement Act

FLOOR ACTIVITIES, WEEK OF OCTOBER 2 (Cont.)

Wednesday, Thursday and Friday (Cont.)

HR 11488, Public Health Services Planning Amendments

HR 13335, AFDC Assistance and Error Reduction Incentive Payments

HR 13778, Department of Education Organization Act

H Res 1309, Executive Reorganization Plan No. 4

HR 12161, Conrail Authorization Act

HR 12577, Railway Safety Authorization Act

HR 12347, Biomedical Research and Training Amendments

HR 10881, Endangered Species Authorizations

HR 12511, Child Nutrition Amendments of 1978 (School Lunch)

HR 13611, Child Health Assurance Act of 1978

S 2727, Amateur Sports Act of 1978

HR 11922, Domestic Volunteer Service (ACTION)

HR 12299, Domestic Violence Assistance Act of 1978

HR 12441, Toxic Substances Control Act

HR 12442, Consumer Product Safety Commission

HR 12533, Indian Child Welform Act

HR 12370, Health Services Amendments

HR 11979, Local Rail Service Assistance Act

H Res 86, Remove Limitation on Co-Sponsorship

Senate

Monday

Exim Bank

Department of Energy Authorization (National Security)

Tuesday

ERA Extension

Wednesday

ERA Extension

Friday

ERA - final passage

Other possible business: Energy Conference Reports
Other Authorization and Conference Reports

THE WHITE HOUSE WASHINGTON 10/2/78

Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

:
FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
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NO DEADLINE
LAST DAY FOR ACTION

ACTION FYI ADMIN CONFIDENTIAL
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THE WHITE HOUSE

WASHINGTON

September 30, 1978

Sach report

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON

SUBJECT:

Weekly Report

Possible Public Works Veto.

We are continuing to work closely with Frank and Anne in preparing for your decision on the Public Works Bill.

At our request, Governor Mike O'Callaghan has been working very hard (and very effectively) to neutralize Western opposition should you decide to veto the bill. So far, with Mike's substantial help, we have gotten commitments from Dixie Lee Ray of Washington, Bob Straub of Oregon, Tom Judge of Montana and Bruce Babbitt of Arizona not to criticize a decision to veto.

In addition to Mike, Jerry Apodaca of New Mexico, Jim Exon of Nebraska and John Evans of Idaho will actually support a decision to veto. Julian Carroll will also publicly support a veto.

We have asked the Vice President to talk to Bruce Babbitt during his visit to Arizona this weekend to ask him to move from a neutral to a supportive posture.

We have also asked Bob Strauss to talk to Jerry Brown to seek his public support (Bob is in California this weekend campaigning for Brown). We've already discussed the subject with Brown's chief-of-staff.

South Bronx.

On October 5th, I will be in the South Bronx with Mayor Koch, and Congressmen Garcia and Bingham, Governor Carey, and HUD, Interior and Commerce officials to announce the next steps in our continuing initiative in that area. The date of the visit is the first anniversary of your trip to the South Bronx with Pat Harris.

Jen 9000

I will announce, on your behalf and as a result of IACC's work, the following:

- -- A HUD Urban Initiative project of \$8.6 million to rehabilitate 2700 public housing units in the Claremont Village project;
- -- Five EDA loans totalling \$2.8 million to businesses in the South Bronx. The loans will provide 500 jobs;
- -- An Interior grant of \$600,000 as part of a \$2 million City and State program to build 15 open-space, pocket-park, garden and recreation sites throughout the South Bronx;
- -- A HEW \$1.4 million grant for the Fordham-Tremont Community Mental Health Center;
- -- GSA plans to site a new Federal building housing a GSA motor pool, an IRS tax center, and a Social Security office on Fordham Road;
- -- A joint Federal-City \$3 million renovation of an historic building to be used as a Job Corps Center;
- -- The speed-up of a DOT \$20 million rehabilitation program for the Major Deegan Expressway which runs through the South Bronx. These are both state and Federal dollars which would have been spent in any event, but are now on a faster track to coordinate with the other initiatives;

Letter from the Chief Justice.

On Friday afternoon the Chief Justice had a letter to you hand-delivered to me. The letter outlines a cost-cutting strategy in the construction of new Federal courts. I have referred the letter to Bob Lipshutz for appropriate handling with the Attorney General and Jay Solomon.

Equal Employment Opportunity.

On June 30, 1978, you signed Executive Order 12067 establishing the EEOC as the government's lead agency in the equal employment effort. I think it would be a good idea to invite Eleanor Holmes Norton to the next Cabinet Meeting to stress

the importance you attach to equal employment and to underscore the Cabinet members' responsibilities in making it work. Eleanor could be asked to speak for 3-5 minutes on what she is doing pursuant to the Executive Order. Such a gesture on your part would strengthen the position of the EEOC and be widely noted in the civil rights and minority communities.

Approve		•	
Do Not	Approve		1

Miscellaneous Items.

- Following your visit to Columbus, Ohio last weekend, members of IACC and I met on Wednesday with a broad cross-section of Ohio's ecumenical leadership, labor representatives and local officials to discuss the Ecumenical Coalition's plan for a Federally financed worker-purchase of the steel plant in Youngstown. Although there is no support in the Administration for that particular proposal, (a fact which has not yet been announced) there are some very significant actions we might take to deal with the unemployment and overall economic development situation in Youngstown. The IACC is reviewing various alternatives now, and I told the group we would be back to them within three weeks with some preliminary findings and recommendations. I underscored your personal concern and assured them that, whatever the outcome on the specific proposal, IACC would continue to work with them and others in dealing with the problems in the Youngstown area. As you know, this is a difficult situation, and we will not be willing or able to do everything the coalition wants us to do.
- -- On Thursday morning, I met with Bill Bolger, the Postmaster General, and Jay Solomon to discuss their joint cooperation in implementing your Executive Order on the siting of Federal facilities in urban areas. It was a good meeting, and I anticipate some very productive results. I will keep you advised of major developments in this area.

heir protosal inferes, ble-Be Courtions -- On Friday morning, Anne, Stu, Jim McIntyre, Pat Harris and I met with 15 mayors from all over the country to discuss some of their concerns regarding "sunbelt-frostbelt" issues. It was a useful meeting on a very sensitive subject -- the growing competition between different parts of the country for Federal assistance. We are making some progress in defusing the issue, but there are some strongly-felt and legitimate differences of interest and points of view to be reconciled.

BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Federal Agencies Can, And Should, Dick le Highend

Jim on this

Jim on the Do More To Combat Fraud In **Government Programs**

Federal economic assistance programs amounting to about \$250 billion annually are susceptible to fraud and related white-collar crimes. No one knows the extent of fraud Justice officials believe it ranges from 1 to 10 7 2.5 TO 25 BILLION PER YEAR percent of the expenditures percent of the expenditures.

Federal agencies have not been doing enough to identify fraud in their programs, and the Department of Justice has been slow in assisting Federal agencies' antifraud efforts. But Federal agencies have recently recognized that more needs to be done and have said that (1) fraud detection is now a high agency priority and (2) actions are being taken to bolster their current efforts.

This report contains recommendations to help Federal agencies take a more active, systematic approach to identifying fraud in their programs.



THE WHITE HOUSE

WASHINGTON

10-2-78 To Sen James Abouresk My reference to the PLO (made in Al. quippa) was to small groups also are ungopular and who need the right to freedom of speech - in defense of their information Wice in the U.S. At you know, an acknowledge. ment by 'The PLO' of Grack's right to exist by endorsement of UN fee 242 would open the possibility Kes 242 of direct dis lugsions with them. They have steadfastly refused to do They commitment to protecting This The right of Indians has been proven Consistently by support of legislation and, by legal and administrations action. Sincerely, Sinney

JAMES ABOUREZK

Mnited States Senate

WASHINGTON, D.C. 20510

September 25, 1978

7818932

The President
The White House
Washington, D.C. 20500

ACK.FTA/NSC = CONGRESSIONAL LIAISON

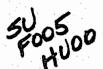
SEP 27 1978

Dear Mr. President:

If the newspaper accounts of your recent appearance in Aliquippa, Pennsylvania are accurate, I want to comment on your description of the Palestinian Liberation Organization in which you compared them to the Ku Klux Klan and the Nazis.

I realize that a certain amount of political posturing is necessary for all politicians but I think you've gone just a bit overboard in describing the PLO. Unfortunately, before you negotiated in their behalf at the Camp David Summit, I wish you would have known that the PLO is both the political and military arm of the Palestinian diaspora. Because they have been denied the right to legitimate political expression, some of their number has been forced into violence and armed strugge, which is greatly disturbing to everybody who believes in advancing our civilization. I would suggest that the way to stop such violence would be to provide the Palestinians and their chosen leadership, the PLO, with a legitimate avenue of political expression. One such avenue might be to include the PLO in negotiations about their own future, rather than attempting to choose the Palestinians' leadership for them and then deciding their future in spite of whom you might choose.

It is also unfortunate that you have never seen with your own eyes Palestinians living in refugee camps throughout the Middle East, because if you could, you might be better able to understand why men and women will turn to violence even though their basic instincts in more normal times would be peaceful existence. The rhetoric used by you during that appearance can, I believe, make matters only worse and I sincerely regret the fact that you chose to do so.



I wrote you some months ago with respect to American Indians. It was a letter in which I stated that I believed you to be a humane person who felt compassion for people without political power.

I received no response nor even an acknowledgment of that letter. I feel very sad that your basic instincts for humanity have been overcome by an overwhelming desire for popularity at the expense of politically powerless people such as the American Indians and the Palestinian refugees.

Very truly yours,

James Abourezk United States Senate

DATE: SEPTEMBER 27, 1978

PAGE: - 1-

SUBJECT	DISPOSITION	COMMENT
		0
BELIEVES YOU HAVE "GONE JUST A BIT OVERBOARD" IN COMPARING THE PLO TO THE KKK AND THE NAZIS; BELIEVES THE PLO SHOULD BE INCLUDED IN NEGOTIATIONS ABOUT THEIR OWN FUTURE; WROTE TO YOU EARLIER ABOUT THE AMERICAN INDIANS BUT RECEIVED NO RESPONSE; "I FEEL VERY SAD THAT YOUR BASIC INSTINCTS FOR HUMANITY HAVE BEEN OVERCOME BY AN OVERWHELMING DESIRE FOR POPULARITY AT THE EXPENSE OF POLITICALLY POWERLESS PEOPLE SUCH AS THE AMERICAN INDIANS AND THE PALESTINIAN REFUGEES."	ACKNOWLEDGED BY FM REFERRED TO NSC	
URGE THE APPROVAL OF THAILAND'S REQUEST FOR THE RELEASE OF PRICE AND BUDGETARY INFORMATION ON THE A-10 CLOSE AIR SUPPORT AIRPLANE.	ACKNOWLEDGED BY FM REFERRED TO NSC	
	DISCUSS IN DETAIL SIX ASPECTS OF SALT II AS IT "HEADS FOR WHAT WE HOPE IS A HAPPY CONCLUSION." BELIEVES YOU HAVE "GONE JUST A BIT OVERBOARD" IN COMPARING THE PLO TO THE KKK AND THE NAZIS; BELIEVES THE PLO SHOULD BE INCLUDED IN NEGOTIATIONS ABOUT THEIR OWN FUTURE; WROTE TO YOU EARLIER ABOUT THE AMERICAN INDIANS BUT RECEIVED NO RESPONSE; "I FEEL VERY SAD THAT YOUR BASIC INSTINCTS FOR HUMANITY HAVE BEEN OVERCOME BY AN OVERWHELMING DESIRE FOR POPULARITY AT THE EXPENSE OF POLITICALLY POWERLESS PEOPLE SUCH AS THE AMERICAN INDIANS AND THE PALESTINIAN REFUGEES." URGE THE APPROVAL OF THAILAND'S REQUEST FOR THE RELEASE OF PRICE AND BUDGETARY INFORMATION ON THE	DISCUSS IN DETAIL SIX ASPECTS OF SALT II AS IT "HEADS FOR WHAT WE HOPE IS A HAPPY CONCLUSION." BELIEVES YOU HAVE "GONE JUST A BIT OVERBOARD" IN COMPARING THE PLO TO THE KKK AND THE NAZIS; BELIEVES THE PLO SHOULD BE INCLUDED IN NEGOTIATIONS ABOUT THEIR OWN FUTURE; WROTE TO YOU EARLIER ABOUT THE AMERICAN INDIANS BUT RECEIVED NO RESPONSE; "I FEEL VERY SAD THAT YOUR BASIC INSTINCTS FOR HUMANITY HAVE BEEN OVERCOME BY AN OVERWHELMING DESIRE FOR POPULARITY AT THE EXPENSE OF POLITICALLY POWERLESS PEOPLE SUCH AS THE AMERICAN INDIANS AND THE PALESTINIAN REFUGEES." URGE THE APPROVAL OF THAILAND'S REFURED TO NSC AND BUDGETARY INFORMATION ON THE

(D) - FLORIDA (CONTINUED)

REP. SAM STRATTON

REP. BILL CHAPPELL

(D) - NEW YORK

WASHINGTON

September 29, 1978

MEMORANDUM FOR: SUSAN CLOUGH

FROM: EVELYN SMA

Before this mail log was returned to me, and knowing that the President would want to know to which letter Abourezk was referring, I called up from Central Files all of the letters on Indians which we had received from Abourezk. Since our records show that there were no letters which did not get some kind of response and/or acknowledgement, I called the Senator's office to find out what specific letter they were referring to on the second page of the current incoming letter. According to one of his staff members, he was referring to his letter dated August 9 (which I have attached). As you can see, there was an acknowledgement which did go out. The staff member at the Senator's office thought that maybe when someone opened the mail, they sent the response to the Indian committee, rather than treating it as the Senator's personal mail which he had intended.

This August 9 letter appeared on the President's mail summary on Friday, August 11, and was referred to Stu Eizenstat's office for further response on Monday, August 14. I also sent an information copy to Interior. Stu's office has not, to date, sent out a further response to my acknowledgement.

As far as the current letter is concerned, I acknowledged it in Frank Moore's name, and sent it to NSC for a response to the aspects which deal with the description of the PLO.

I will wait for the President's decision as to how, if at all, he wants to respond to the Senator's comments about the President's commitment to Indians. Please advise me, and I will be happy to prepare a draft. Also, I have all of the "evidence" of the Presidential-Abourezk correspondence on Indians, in case the President would like to see the rest of it.

Please let me know how you would like to proceed.

WASHINGTON 10/2/78

The Vice President
Jody Powell
Dick Moe
Landon Butler
Joe Aragon
Rick Hernandez
Betty Rainwater
Phil Wise
Anne Wexler
Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

THE WHITE HOUSE WASHINGTON

Bol Lo

DEMOCRATIC

NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

John C. White Chairman

MEMORANDUM September 29, 1978

TO:

PRESIDENT CARTER

THROUGH:

RICK HUTCHESON

FROM:

JOHN C. WHIZE

RE:

WEEKLY STATUS BEPORT ON DNC OPERATIONS

DNC PRESIDENTIAL DINNER - WASHINGTON

Best ever, credit goes to Evan Dobelle, Treasurer, Chuck Manatt, National Finance Chairman, and George Bristol -- they really worked. This will enable us to continue our efforts to elect Democrats this fall.

DNC ACTIVITIES

Reports on Chip from northeastern states indicate that he helps our candidates in a meaningful way. He is a hard worker and has a "knack" for politics.

Ben Brown is working with State Legislatures and the Black Caucus on ratification of full representation for the District of Columbia.

We are targeting races, such as Ohio, North and South Carolina, New York and possibly Massachusetts, for special help from our staff.

PRIMARIES

Alabama - continues trend to new faces with what media and pollsters call "upsets".

(Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

Le: Tim
Javits wants
his wife on Arts

Council- 9d like
for do it

TELEPHONE CONVERSATION WITH SENATOR JAVITS

Thursday, September 29, 1978

Zbigniew Brzezinski From: Tenh Rodo

BACKGROUND

In his letter of August 22, Senator Javits asked you to establish a blue ribbon commission composed of U.S. representatives from the business and labor sectors to review and make recommendations concerning our economic relations with Mexico. This commission would take the place of the Quadripartite Commission (composed of the private and government sectors of Mexico and the United States established in 1975), which he has been pushing, but which has attracted very little interest by the Mexicans. I responded that we are interested in his views as we undertake the NSC study on Mexico.

TALKING POINTS

- -- Your suggestion comes at a very propitious time. We have begun an interagency NSC review to develop a coordinated and integrated approach to all our relations with Mexico.
- -- I am not sure that a formal mechanism, like a blue ribbon commission, involving business and labor is necessary, but I do believe that informal meetings between business, labor, and those in the government who are developing this study is desirable.
- -- I will ask Zbig to get in touch with Cy Vance about working out arrangements for consultations along these lines.

Longrato. re C. David Jacits can do it - needs support from W.H. Wife re Arts Council

THE WHITE HOUSE WASHINGTON

10/2/78

For the record:

Tim was given a copy of the attached today.

WASHINGTON

October 2, 1978

0

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Security Violations

Attached for your information are the security violations for the month of September, 1978.

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JODY POWELL

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

<u>Date</u> Name
Nature of Violation
9/18 Jody Powell
Secret document found in In and Out Box

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FRANK MOORE

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

Date Name		Nature of Violation			
9/4	Robert Beckel	Secret document found in In and Out Box			
9/9	Ronna Freiberg	Secret document found in top desk drawer			

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JACK WATSON

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

Date	 Name		Nature of Violation
9/9	Jack Watson		Top Secret, Secret and Confidential
-	•	•	material found inside desk drawer

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

HAMILTON JORDAN

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

<u>Name</u>
Nature of Violation
9/24
Hamilton Jordan
Confidential document found on desk top

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

BOB LIPSHUTZ

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

<u>Date</u> N

Name

Nature of Violation

9/19

Bob Lipshutz

Confidential document found

on top of desk

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

TIM KRAFT

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

Date	Name	Nature of Violation
9/17	Tim Kraft	Confidential document found inside folder on desk
9/24	Tim Kraft	Confidential document found inside folder on desk

WASHINGTON

October 2, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FRANK PRESS

FROM:

HUGH CARTER

SUBJECT:

Security Violation

The President has asked that I make you aware of the following security violation(s):

<u>Date</u>	Name	Nature of Violation			
8/11	Robin Graham	Secret document found or desk top	'n		

ADMINISTRATIVELY CONFIDENTIAL - NOT FOR CIRCULATION

THE WHITE HOUSE

October 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Anti-Inflation Program

As I mentioned to you in our telephone conversation, the religious holiday may prevent me from attending tomorrow morning's inflation meeting. However, I would like to convey two additional reasons why I believe the anti-inflation announcement should be postponed until after Congressional adjournment.

First, preparing for, and following through on, an antiinflation announcement this week or next will sorely strain
our already-stretched White House resources. Many of the
people who will be needed to prepare and review the materials
for the anti-inflation announcement, as well as provide the
explanations and briefings that will subsequently be needed,
are the same people who are concentrating their efforts on the
energy bill. I am afraid that the diversion of the time and
resources of your staff, even for a few days, from working
on the energy legislation to working on the anti-inflation
program will seriously affect our prospects for final House
passage of the gas bill. I think this is particularly true
of Frank Moore and Anne Wexler and their staffs.

My concern about the diversion of needed resources is based substantially on the view expressed to you in my earlier memos on the anti-inflation program — that this is one of your most important announcements as President, that your speech needs to be as finely crafted as possible, that the program's major aspects need to be precisely determined, that documents need to be prepared explaining the program in terms readily understandable to the public, and that an inflation "outreach" program needs to be ready to start as soon as your announcement is completed.

I think that there is still a great deal of work needed in order to complete the above tasks and thereby ensure a successful announcement. Unfortunately, many of those needed in the energy effort will need to spend a great deal of time on the inflation announcement and follow-up.

0

Second, I am concerned that an anti-inflation announcement this week will appear to many -- in the Congress, the media, and the public -- to be evidence that the Administration is still having trouble establishing and holding firm to priorities. For nearly two years, we have made the passage of the energy legislation our highest Congressional priority. As we are on the brink of possible victory, we will seem to be sending conflicting signals. With less than ten days to go in the Congressional year, we will be diverting attention and resources from the energy effort toward the anti-inflation effort.

When we are questioned about the timing of the announcement, we can, of course, say that the announcement was made as soon as the program had been determined. However, I am concerned that word will inevitably leak out that the unexpected anti-inflation announcement was timed in large part to help on the Public Works veto. To the extent that such word does become public, I fear that we will be criticized for timing an anti-inflation announcement of enormous consequence for the country's economy and your Administration because of the Public Works bill.

WASHINGTON

October 1, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

LANDON BUTLER

SUBJECT:

Meeting with Thomas J. Watson

DATE:

Monday, October 2, 1978

TIME:

11:45am-12:00noon

LOCATION: Oval Office

I. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. <u>Background</u>: Tom Watson, Chairman of the General Advisory Committee (GAC) of ACDA, has asked to meet with you for 15 minutes. He wants to:

- --deliver you a letter from the GAC on the subject MAPS,
- --give you some brief thoughts of his own about the SALT process in general.

The MAPS letter is particularly significant because the Committee, which represents a broad spectrum of opinion, is unanimous in urging caution in adopting the MAPS concept. A list of the full General Advisory Committee is attached.

Harold Brown, Cy Vance, and Paul Warnke all agree that Mr. Watson has done an outstanding job of reviving the GAC as a useful body. Since taking over as Chairman late last year, Mr. Watson has held two-day meetings of the Committee every month, with 90 percent attendance. The Committee as a whole, as well as individual members acting on their own behalf, is now in a position to provide useful advice and assistance in future disarmament decisions.

0

The opinions and the assistance of the Committee will also be important in the SALT and CTB ratification efforts.

For your information, there are two vacancies on the Committee at present, and Mr. Watson has asked that one be filled by Jane Cahill Pfeiffer. Mr. Watson, who is a former Chairman of the Board of IBM, knows Ms. Pfeiffer well. The papers recommending her appointment should be reaching your desk in the next few days.

- B. Participants: Tom Watson
- C. Press Plan: White House photographer only.

II. TALKING POINTS

The meeting is essentially a report from Mr. Watson to you, but you might want to:

- --thank Mr. Watson for the leadership he has given the General Advisory Committee, and
- --assure him that you will be counting on him for his help and advice in the final stages of the SALT II negotiations and in future disarmament efforts.

GENERAL ADVSIORY COMMITTEE OF ACDA

Membership

October 2, 1978

Thomas Watson, Jr., Chairman.

Harold Agnew, Director of Los Alamos Weapons Center.

McGeorge Bundy, President, Ford Foundation.

Bert Combs, former Kentucky Governor and former U.S. Circuit Court Judge.

Owen Cooper, Mississippi businessman.

Paul Doty, Harvard biochemist.

Doug Fraser, President of the UAW.

Harry Huge, Washington attorney

Lane Kirkland, Secretary-Treasurer of the AFL-CIO and Co-Chairman of the Committee on the Present Danger.

Arthur Krim, New York film producer.

Wolfgang Panofsky, Director of Stanford Linear Accelerator Center.

Lt. General Brent Scowcroft, former Deputy National Security Advisor.

Margaret Bush Wilson, Chairman of the Board, NAACP

10/2/78

Frank Moore
The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder





TO THE HOUSE OF REPRESENTATIVES:

Pursuant to House Concurrent Resolution 725, I am hereby returning the enrolled bill H.R. 8149, "An Act to provide customs procedural reform, and for other purposes," to the House of Representatives for the purpose of making a necessary technical correction.

Timmy Carter

THE WHITE HOUSE,

WASHINGTON September 29, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

INCOMING	WEEK ENDING 9/22	WEEK ENDING 9/29
Presidential First Lady Amy Other First Family	16,240 1,295 125 20	20,350 1,330 135 85
TOTAL	17,680	21,900
BACKLOG		
Presidential First Lady Amy Other	4,400 230 0	2,810 150 0 0
TOTAL	4,630	2,960
DISTRIBUTION OF	PRESIDENTIAL MAIL	ANALYZED
Agency Referrals WH Correspondence Unanswerable Mail White House Staff Greetings Requests Other	9% 48% 18% 6% 18%	8% 52% 16% 9% 15%
TOTAL	100%	100%
NOT INCLUDED ABOVE		
Form Letters Form Post Cards	4,117 2,025	6,507 4,475
Mail Addressed to White House Staff	15,947	17,052

cc: Senior Staff

MAJOR ISSUES IN CURRENT PRESIDENTIAL ADULT MAIL Week Ending 9/29/78

ISSUES	PRO	CON	COMMENT	NUMBER LETTERS	
Support for President's Success at Middle East Summit Conference	95%	4%	1%	1,624	
Support for Treatment of Jehovah's Witnesses in Argentina	0	100%	0	596	
Support for Extending the Deadline for the Ratification of the Equal Rights Amendment HJR 638 (1)	97%	3%	0	464	
Support for Aid to Nicaragua (2)	3%	97%	0	200	
Support for Appointment of Sarah Weddington	8%	92%	0	125	
			Total	3,009	

(1) SUPPORT FOR EXTENDING DEADLINE FOR ERA RATIFICATION, HJR 638 (97% Pro)

Contending that the Equal Rights Amendment is vital to the American population, supporters urge the President to encourage passage of HJR 638 before the next recess of the Congress.

(2) SUPPORT FOR AID TO NICARAGUA (97% Con)

Appalled by the violent tactics of the Somoza regime and expressing concern for the human rights of Nicaraguans, writers ask the President to end all economic aid to Nicaragua and to place pressure on President Somoza to step down.

THE WHITE HOUSE WASHINGTON

Sept. 30, 1978

Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for your information. The original has been sent to Stripping for mailing.

Rick Hutcheson

cc: Stripping

Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

September 27, 1978

Jack
Good PR
needed on
This

get quote for
Cy-

MEMORANDUM TO THE PRESIDENT

FROM:

Jack Watson knh

SUBJECT:

LETTER TO COVERNOR JULIAN CARROLL

PROPOSING AN NGA COMMITTEE ON

INTERNATIONAL TRADE

As you requested, I am attaching a letter for your signature to Julian Carroll on the proposed Governors' Committee on International Trade, etc. The text has been cleared by the State Department and NSC.

I have also been working with Ben Read in Cy Vance's office regarding the appointment of a "Special Assistant to the Secretary" for liaison with state and local governments. Cy Vance strongly supports the idea, and Ben and I are working out the details now. Among other things, the new office (which will be unprecedented in State Department history) will be charged with responsibility:

- -- to facilitate state and local governments' priority international interests, such as trade, people-to-people exchanges and technology transfers;
- -- to arrange briefings and other communications for governors, mayors, and other local officials on international issues of special interest to them, and to convey their views on such issues to the Secretary of State;
- -- to assist governors and other senior state and local government officials in planning their official overseas travel and the visits of foreign officials to their states.

Because of the availability of foreign service officers for reassignment, all of this can be done with virtually no additional budget impact. This initiative on your part fits perfectly with your export expansion policy efforts and the proposed NGA Committee on International Trade and will be enthusiastically received by governors, mayors and others.

Attachment

Note: Jim Fallows has approved the letter.

THE WHITE HOUSE WASHINGTON

September 29, 1978

To Governor Julian Carroll

As you know, both as Governor of Georgia and as President, I have supported vigorous leadership by the States in promoting international trade and in increasing exports of U.S. products. A strong State role in these efforts not only helps the U.S. balance of trade position, but it also contributes to the economic growth of individual states and of the nation.

I have just announced the first elements of a national export policy. We are now working on further steps toward our goal of implementing a permanent and sustained export program. Since exports make up seven percent of our gross national product (and that figure is steadily growing), such a policy is essential.

Because of the critical importance of these efforts, I would like you, as Chairman of the National Governors' Association, to consider establishing a standing committee on foreign trade and other international matters of appropriate concern to the States. Secretary Vance strongly supports this proposal.

If the Association is willing to take this step, I will ask Jack Watson to insure that there is effective liaison provided to the Committee by the White House, the State Department and other Federal agencies.

This subject is timely as well as important. The current Multilateral Trade Negotiations (MTN) should conclude in December of this year with an agreement. The Congress will consider any agreement coming out of the MTN early next year. As you know, every state has a vital interest in these negotiations and their results.

Please let Jack Watson know if you need any further information.

As always, I appreciate your help.

Sincerely,

The Honorable Julian M. Carroll Chairman

National Governors' Association 444 North Capitol Street

Washington, D. C. 20001

THE WHITE HOUSE WASHINGTON

9/29/78

Jack Watson

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE WASHINGTON

September 29, 1978

Retype

To Governor Julian Carroll

As you know, both as Governor of Georgia and as President, I have supported vigorous leadership by the States in promoting international trade and in increasing exports of U.S. products. A strong State role in these efforts not only helps the U.S. balance of trade position, but it also contributes to the economic growth of individual states and of the nation.

I have just announced the first elements of a national export policy. We are now working on further steps toward our goal of implementing a permanent and sustained export program. Since exports make up seven percent of our gross national product (and that figure is steadily growing), such a policy is essential.

Because of the critical importance of these efforts, I would like you, as Chairperson of the National Governors' Association, to consider establishing a standing committee on foreign trade and other international matters of appropriate concern to the States. If the Association is willing to take this step, I will ask Jack Watson to insure that there is effective liaison provided to the Committee by the White House, the State Department and other Federal agencies. Secretary Vance Strongly Supports

This subject is timely as well as important. The current Multilateral Trade Negotiations (MTN) should conclude in December of this year with an agreement. The Congress will consider any agreement coming out of the MTN early next year. As you know, every state has a vital interest in these negotiations and their results.

Please let Jack Watson know if you need any further information.

As always, I appreciate your help.

Sincerely,

The Honorable Julian M. Carroll Chairman National Governors' Association 444 North Capitol Street Washington, D.C. 20001

THE WHITE HOUSE WASHINGTON

8-31-78 To Jack Wason Draft a letter from me to Julian re Se ting up a Governois Committee on international of trade of other foreign interests. Check it out with Cy & His - Then see me.

WASHINGTON

October 2, 1978

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ADMINISTRATIVELY CONFIDENTIAL

To:

The President

FROM:

Frank

RE:

Call from Cardinal Cooke

The Catholic Bishops Conference (Bishop Kelly) called Cardinal Cooke asking that he personally pass on to you their deep concern about the situation in Nicaragua.

They urge that we do everything we can to bring about a coalition-type government in place of Somoza.

Cardinal Cooke called me today to convey this concern and request to you.

cc: Dr. Brzezinski

diplomatic crednetials 10/2/78 presentation

THE WHITE HOUSE

WASHINGTON

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MEMO TO: The Speaker FROM: Irv Sprague

SUBJECT: Legislative Breakfast, White House, 8:00 a.m. Tuesday

Attached is detailed memorandum on remaining Legislation Highlights:

- 1. Energy. The hard count is coming in slowly. Speakers task force working. Caucus Friday on issue of making natural gas policy a separate vote in the rule.
- 2. Public Works. Negotiations over the weekend were unsuccessful.

 It is important to get this behind us as soon as possible so everyone can work on the energy bill. Outcome is uncertain but it appears the veto may be overriden.
- 3. Taxes. It appears now that we will not get to conference until $\overline{\text{mid or late next week}}$.
- 4. Appropriations. Moving well. The continuing resolution can be used to wrap up any loose ends.
- 5. Authorizations. Moving well. It appears we will get to most of them.
- 6. Complications. The Senate is adding extraneous amendments to Import-Export on such issues as sunset legislation, textile tariffs, Lock and Dam #26, and to preclude wage and price guidelines.

MEMO TO: The Speaker Irv Sprague

SUBJECT: Legislation Status

MUST BE DONE

1. Energy

Natural Gas conference. (Senate approved 57 to 42.)

Public Utility Rate conference. (Signatures being obtained.)
Energy Conservation conference. (48-hour review period starts today)
Coal Conversion. (Senate passed conference report.)
Energy Taxes. (Conferees meet October 3.)

(Hope to have House vote on package October 12. Problems with the rule: Democratic Caucus October 6 on issue of allowing separate vote on Natural Gas.)

2. Taxes

Senate Finance Committee has completed markup. Passed House. Senate Floor debate to start this week. Probably will not get to conference until mid-week next week.

Appropriations

Continuing Resolution Passed House.

Public Works

House and Senate approved. Veto. Vote Wednesday or Thursday.

Treasury-Post Office c. Conference report filed. House Floor Wednesday.

d. Interior Conference report filed. House Floor Wednesday or Thursday.

Foreign Aid e. In conference. May be filed Monday night.

Labor-HEW In conference. Meet October 3.

Defense g. Passed House. Senate awaiting authorization.

MAJOR MEASURES NOT YET SCHEDULED

- Countercyclical Revenue Sharing (HR 2852)

 Passed Senate. Expiring authorization. Will need rule to take to Floor directly from Speaker's desk or bill will have to be tacked on to another Senate bill, such as the tax bill. Two-year extension. Annual cost estimated at \$590 million. Grants to cities with jobless rate above 6 percent. Program continued as long as national unemployment rate remains over five percent.
- Middle Income Student Assistance (HR 11274)

 Passed Senate. Reported. Rule requested. Has \$1.4 billion authorization for guaranteed student loan program for 1979. (White House says Chairman Delaney told the President he will grant a rule.)
- Regulation Q (HR 14404) 3. Bank Committee will report October 2. Suspension. On Senate must list. House Committee 3-year extension. Senate committee 1-year, plus a number of bank regulatory changes. Expiring authorization.
- 4. DOE Authorization (HR 11392) Reported. Expiring authorization. Rule granted. Made in order Wright amendment on stripper wells. Awaiting passage of Natural Gas bill. Reported from Interior, Commerce and Science. Armed Services also wants rule on HR 12557 which parallels HR 11392 but has more restrictive provisions for Elk Hills oil production. Senate must list. Appropriations include funds for basic program.
- Countervailing Duties
 President's message received Friday. Administration plans on how to proceed not clear. Hollings amendment on Export-Import Bank bill 5. protecting textile industry complicates situation.

IN CONFERENCE

- 1. Civil Rights Commission (HR 12432) EXPIRING AUTHORIZATION Filed. Passed House.
- 2. Environmental Protection Agency (HR 11302) EXPIRING AUTHORIZATION Filed. Senate approved.
- 3. Older Americans (HR 12255) EXPIRING AUTHORIZATION Filed.
- 4. <u>Judgeships</u> (HR 7843) <u>PRIORITY</u>
- 5. SBA Amendments (HR 11445) Filed.
- 6. ETHICS (HR 1)

 House conferees named. Expect to meet this week.
- 7. White House Personnel (HR 11003)

 Filed.

 NEW AUTHORIZATION
- 8. <u>Civil Service Reform</u> (HR 11280) <u>PRIORITY</u> Conferees agreed. Final meeting to report Oct. 3.
- 9. Veterans Disability Compensation (HR 10173)

 Conferes named. Meet Oct. 3.

 BIG VETERANS PENSIONS
- 10. Housing and Community Development (S. 3084) EXPIRING AUTHORIZATION Conferes named. Meet Oct. 3.
- 11. <u>CETA</u> (S. 2570) <u>EXPIRING AUTHORIZATION</u> House conferees named. Meet Oct. 5.
- 12. Public Telecommunications Financing (HR 12605) EXPIRING AUTHORIZATION Conferees named. Meet Oct. 4.
- 13. Foreign Intelligence Wiretapping (S. 1566) PRIORITY
 Conferees named. Meet Oct. 3.
- 14. Economic Opportunity Act Amendments (HR 7577) EXPIRING AUTHORIZATION Conferees named. Will meet this week.
- 15. <u>Justice Department Authorization</u> (HR 12005) <u>NEW AUTHORIZATION</u> House conferees named.
- 16. Airline Deregulation (S. 2493) PRIORITY Conferes named. (Problem of linking noise bill.)
- 17. Elementary and Secondary Education (HR 15) EXPIRING AUTHORIZATION Conferees agreed. Expect to file Wednesday.
- 18. Tuition Tax Credit (HR 12050)
 Conferees agreed. Move will be made to defeat conference report.
- 19. Vocational Rehabilitation (HR 12467) EXPIRING AUTHORIZATION Senate conferees named. Meet Oct. 3.
- 20. Bankruptcy (HR 2800)
 Senate conferees named. House has returned with an amendment. Will go to conference if Senate does not accept.
- 21. <u>Federal Elections Commission</u> (S. 3025) Conferees named. Meet Oct. 4.
- 22. Pregnancy Disability Amendment to Civil Rights Act (S. 995)

 Conferees named. Deadlocked on pregnancy provisions. No further meetings scheduled.
- 23. Maritime Satellite Telecommunications (HR 11209)
 House conferees named.

(In Conference continued)

- 24. D.C. Retirement (HR 6536)

 Conferees named. Deadlocked on Senate provision that cut back in benefits be applied to current employees. Will meet again this week.
- 25. Victims of Crime (HR 7010)
 Conferees named. Will meet this week.
- 26. Extended Unemployment Compensation (HR 12380)
 Conferes named. Will meet this week.
- 27. National Commission on Unemployment (HR 12232)
 Conferees named. Will meet this week.
- 28. SBA Minority Program Authorization (HR 11318)
 Conferes named. Meet Oct. 3.
- 29. Agriculture Trade Act (S. 3447)

 House conferees named. Meet Oct. 3.
- 30. Tax Treatment Extension Act (HR 9251)
 Conferes named. Will meet this week.
- 31. Fish and Wildlife Improvement Act (HR 2329)
 House conferees named.

STILL TO BE RESOLVED

- 1. Highway Mass Transit (HR 11733) EXPIRING AUTHORIZATION Passed House. On Senate "must list." Possible veto.
- 2. Marine Protection (ocean dumping) (HR 10661) EXPIRING AUTHORIZATION Passed House. On Senate "must list."
- 3. DOE National Security Programs (HR 11686)

 Passed House and Senate. House committee hopes to call up bill this week and return it to the Senate amended. Senate is considering adding stripper well provision
- adding stripper well provision.

 4. DOE Research and Development (HR 12163)

 Passed House. On Senate "must list."
- EXPIRING AUTHORIZATION

EXPIRING AUTHORIZATION

- 5. Omnibus Parks (HR 12536)
 Passed House. On Senate "must list."
- 6. Export-Import Bank (HR 12157)

 Passed House. On Senate "must list." Being amended to include such extraneous matters as sunset legislation, textile tariffs and Lock and Dam #26.
- 7. Mental Health Centers (HR 12460) EXPIRING AUTHORIZATION Passed House and Senate. Senate will amend and House will accept.
- 8. Nurse Training (HR 12303)

 Passed House and Senate. Senate will amend and House will accept.
- 9. Philippine Veterans (HR 5029)

 Passed House and Senate. Will work out informally after finishing Pension bill (probably this week).
- 10. <u>U.S. Railway Authorization</u> (HR 10898) <u>EXPIRING AUTHORIZATION</u>
 Passed House and Senate. Will try to resolve without conference.
- 11. Water Research and Development (HR 11226) EXPIRING AUTHORIZATION Passed House and Senate. Senate amended House bill and returned to House which probably will accept.

SCHEDULED THIS WEEK

- 1. DOD Authorization (HR 14042)
 Expiring authorization. On Senate must list. Vetoed bill rewritten.
 Rule adopted. General debate concluded.
- 2. Magistrates Act (S. 1613)

 Passed Senate. Rule granted. General debate concluded. Takes away power of district judges to appoint magistrates and sets up a merit appointment system. Increases power of magistrates in trying civil and criminal matters.
- 3. Water Resources Development (HR 13059)

 Passed Senate. Rule adopted. General debate concluded. After bill passes, Bizz Johnson will move to go to conference with HR 8309. This will combine in conference (a) waterway user fees, (b) Lock and Dam 26, and (c) more than 100 water projects. Possible veto.
- 4. Financial Institutions Regulation (HR 13471)

 Passed Senate. Rule adopted. General debate concluded. Provides regulatory agencies with more enforcement tools.
- 5. Sugar Stabilization Act (HR 13750)

 On Senate must list. Rule adopted. General debate concluded. Ways and Means recommend flat 15-cent a pound subsidy. Agriculture wants 16 cents with escalator clause. Difference to be settled on Floor. Administration prefers Ways and Means if any bill passes. Possible veto.
- 6. Meat Import Act (HR 11545)

 Passed Senate. Rule adopted. General debate concluded. Bill is similar to Senate-passed measure that provides a countercyclical formula to increase or lower beef and veal imports, sets a floor of 1.2 billion pounds on imports and restricts the President's authority to suspend or increase quotas and to add new categories of meat to quotas. Administration strongly opposes. Possible veto.
- 7. Clinical Laboratory Act (HR 10909)
 Passed Senate. Rule adopted. General debate concluded.
- 8. Public Health Service and Planning (HR 11488)

 Passed Senate. Expiring authorization. Failed on suspension 261 to 141. Rule adopted. General debate concluded. Three-year \$1.4 billion extension of public health program. Appropriations include funds for basic programs.
- 9. Welfare Fiscal Relief (HR 13335)

 Reported. Rule granted. One-year program providing \$359 million additional Federal assistance and error reduction incentive payments. Bill contains formula for figuring amount each state to receive based on AFDC load and revenue sharing payments. States then receive a percentage of this amount based upon their case error rate during a test period. States must pass funds onto localities in amount up to amount localities expend for afdc contributions. Savings from error reduction estimated to be \$28 million for FY 79.
- 10. Department of Education (HR 13778)

 Passed Senate. On priority list. Very controversial. Rule granted.
- 11. Reorganization Plan No. 4 (H.Res. 1309)
 Reported. Employee Retirement Administration.
- 12. Conrail Authorization (HR 12161)

 Passed Senate. Must be done. Reported. Rule granted.
- 13. Railway Safety Act (HR 12577)

 Passed Senate. Expiring authorization. Reported. Rule granted.

 Provides one-year \$37.7 million authorization for Federal Railroad Administration. Controversial issues are work rule and regulation of length of weight of trains. Appropriations are made to keep the program going.

- 14. Biomedical Research (HR 12347)

 Passed Senate. Expiring authorization. Reported. Rule granted.

 Three year \$4 billion authorization for major research in cancer, heart, blood and lung diseases.
- 15. Endangered Species (HR 14104)

 Passed Senate. Reported. Rule requested. Expiring authorization.

 Appropriations made subject to authorization. Reported bill responds to Telco Dam incident when Supreme Court ordered project halt to protect snail darter. Provision made to waive strict ban under certain circumstances.
- 16. Child Nutrition (School Lunch) (HR 12511)

 Passed Senate. Expiring authorization. Reported. Rules Wednesday. Provides basic authorization for all child feeding programs. Estimated cost \$672 million for fiscal 1979. Money for program included in Appropriations bill. Legislative changes in bill, not funded, include mandate that poverty schools provide breakfast programs.
- 17. Child Health Assurance (HR 13611)
 Reported from both Commerce and Appropriations Committees. Rules
 Wednesday. Expands medicaid for poverty children under 18. Cost \$324
 million for 1979 and \$781 million for 1980. Not on Senate must list.
 Administration wants.
- 18. Amateur Sports Act (S. 2727)

 Passed Senate. Failed on suspension 244-158. Rule requested. Has one-year \$30 million authorization of federal funding for first time to help develop amateur sports to improve performance in Olympics. Also sets up machinery to resolve jurisdiction disputes between Amateur Athletic Union and National Collegiate Athletic Association.
- 19. Domestic Volunteer Service (HR 11922)

 Passed Senate. Controversial. ACTION authorization. Rule requested.
 Part of Carter's urban policy package included in the bill as an
 "urban development" program with a \$40 million authorization. Much opposition on grounds it gives controversial ACTION Director Sam Brown cart blanche power over administering new program.
- 20. Domestic Violence Act (HR 12299)

 Failed under suspension 201-205. Rule requested. Carries total of \$125 million authorization over five years. Creates Office of Domestic Violence in HEW to study wife and child beating. Provides funds to build shelters for victims.
- 21. Toxic Substances (HR 12441)
 Passed Senate. Expiring authorization. Failed on suspension 190-188.
 Reported. Rules Wednesday.
- 22. Consumer Product Safety Commission (HR 12442)

 Passed Senate. Expiring authorization. Reported. Rules Wednesday.

 Extends commission three years and makes changes in rule-making procedures.
- 23. Indian Child Welfare (HR 12533)

 Passed Senate. Rule granted. Total five-year authorization estimate of \$125 million. Controversial. Sets new standards to prevent unwarranted removal of Indian children from their home for placement in foster homes.
- 24. Health Services Amendments (HR 12370)

 Passed Senate. Expiring authorization. Failed on suspension 193-193. Reported. Rule requested. Would extend for three years 20 health assistance programs including family planning, rat eradication and lead poisoning. Committee says bill failed under suspension because abortion amendments could not be offered. Appropriations fund basic programs.
- 25. Local Rail Assistance Act (HR 11979)

 Passed Senate. Reported. Rule granted.